2010

University of Wollongong Union Annual Report 2010

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2010

ANNUAL REPORT

UniCentre

Experience UOW

ABN 28915 832 337
ACN 081 114 089

UniCentre

Experience UOW

VISION

To be a dynamic, robust organisation which provides value adding products, programs and services to the University community.

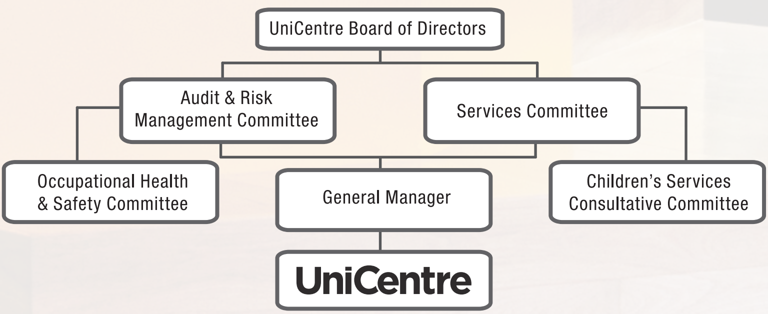
MISSION

Our mission is to create services, spaces and activities that enhance the University experience.

OUR VALUES

We value excellence	we provide products and services which continually exceed our customers expectations.
We value integrity	we do what we say we will. We are open and honest with our colleagues and customers.
We value safety and our environment	we take care to create and maintain a safe work place and value the environment in which we work and live.
We value collaboration	we respect individual differences and work together to achieve UniCentre's goals.
We value engagement	we create sustainable, valued partnerships with all our stakeholders.
We value continuous improvement	we always look for a better way.
We value flexibility	we respond to the ever changing campus community's needs, wants and expectations in a timely manner

COMPANY STRUCTURE



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DIRECTORS' REPORT
ACHIEVEMENTS

- Customer Service Index Survey was conducted on all UniCentre operated service outlets and all tenants on the Wollongong campus with an overall satisfaction increase to 80% - a continued increase of satisfaction in the services from Wollongong campus retail services. All UniCentre outlets achieved ratings above the 77% satisfaction benchmark with Rush Coffee achieving the highest satisfaction rating of 90%.
- The financial sustainability of UniCentre has strengthened through good Operating Surplus performance and responsible management of assets and service provision.
- Major refurbishment works to Building 11 occurred, revitalising the southern retail precinct of the Wollongong campus, including review and growth of retail services within this precinct for 2011.
- UniCentre's student engagement and social activity function Centre for Student Engagement significantly increased its reach to the campus community. Not only increasing the number of people engaged in its activity on the Wollongong campus, but spreading its reach and effect to the local community through programs it delivers.
- Children's Services experienced consistent customer/children utilisation rates.
- UniCentre Conferences and Functions Pty Ltd, a subsidiary of UniCentre was consolidated into the main entity at the end of 2010 post a significant restructuring of this arm of UniCentre, which will provide significant benefits to UniCentre in the future.
- Organisation brand refresh: UniCentre – Experience UOW; strongly linking to our parent entity.
- One year waiver received in recognition of UniCentre efforts and delivery in equal opportunity for women in the workplace through EOWA.

BOARD OF DIRECTORS

Chris Grange

BA MCom
Executive Chair
Director since January 2005

Since 2005, Chris has been the Vice-Principal (Administration) of the University of Wollongong and Secretary to the University Council. Within the University, Chris is responsible for the Academic Registrar's Division, Accommodation Services, Buildings and Grounds, Financial Services, Personnel Services and the Innovation Campus. He has worked at the University since 1988 and was previously Director of Personnel and Financial Services.

Brian Ward

BBus, MBA, CPA, GAICD
Non Executive Director
Director since August 2002

Brian has extensive experience in both the private and public sector in a range of senior management roles. His last position was Executive Manager Parliamentary Services with Parliament of NSW. Parliamentary Services provides a range of support services to NSW parliament and the Members of Parliament. These services include finance, administration, organisational development, information technology, Parliamentary library, catering and functions, building services, security and archives.

Jo-Ann Fisher

Non Executive Director
Director since August 2007

Jo is the General Book Buyer for the UniShop. She has been employed with the UniCentre since 1993. Jo has previously studied in Welfare and Librarianship. She has written articles for the Bookseller and Publisher magazine as well as submitting her short stories for various literary awards. Jo also has four children, all of whom have attended Kids Uni. Jo is also on the University of Wollongong Cares committee as well as being a member of Women on Boards.

Mike Gillmore

Executive Director, Company Secretary
General Manager
Director since January 2009

As Executive Director and General Manager of Wollongong UniCentre Ltd, Michael's responsibility is across the direction and accountability for UniCentre as a complete entity. Prior to this role Michael was General Manager for the UOW Accommodation Services Division for 4 years and before that worked in the Buildings & Grounds Division since 1997. Michael's experience before coming to the University of Wollongong was in the Hospitality and Support Services sectors providing hospitality based services to commercial organisations, major sporting/leisure venues as well as 4 and 5 star Hotels in Sydney and the ACT.

Matt Greiss

Non Executive Director
Director since August 2010

Matt is a 4th year Law/Commerce student majoring in Finance. He is a current student member of the Law Faculty Committee and currently holds an office bearing position on WUSA Council. Matt has worked in Local Government for some time and holds a number of concurrent positions with Campbelltown City Council as well as a position within the Information and Governance Division of Wollongong City Council. Matt ran for the Board to ensure that Wollongong UniCentre Ltd fulfilled its obligations with respect to responsible environmental and recycling policy and continues to stand for a sustainable UniCentre with student money being spent on student services where it should be.

Walter Immoos

Non Executive Director
Director since August 2010

Walter commenced his career in 1969 as an apprentice chef. He worked in various hotels through Europe in the kitchen until 1978. Walter attended hotel school in Lausanne, Switzerland and completed his hotel management diploma. Walter has worked for nearly all major hotel brands including the Hilton, Westin, Sun International and Holiday Inn. He came to Australia in 1989 to open Peppers on Sea Terrigal. Walter then converted this property to the very first Crown Plaza brand in Australia. In 1994 he then transferred to the Holiday Inn Menzies, which he converted to All Seasons Premier Menzies in 1996. In 2000 ACCOR bought the All Seasons group and hence, Walter commenced his career with ACCOR. During that year the Menzies was the official family hotel for the Olympic Games. At the end of 2005 Walter transferred to the Novotel Wollongong Northbeach where he is today as General Manager. Walter's interests include art, history, tennis and golf.

Andrew McCullough

Non Executive Director
Director since February 2011

Andrew is a Civil Engineering and Commerce student, commencing at UOW in 2007. Currently the President of the UOW Engineering Society, Andrew is involved with many UniCentre events and activities. He was part of the UniCentre Black Opal Leadership Forum in Canberra. Andrew has worked in local government as an undergraduate engineer, and since 2004 has managed his own business. Outside of the university, Andrew is a volunteer with the State Emergency Services and supports Oxfam Australia through the annual Trailwalker event. He enjoys hiking in the outdoors, tennis and golf.

Ian Murray

Non Executive Director
Director since October 2010

Ian is an undergraduate student currently studying a combined Law and Commerce degree. Since commencing his studies at the University of Wollongong in 2009, Ian has been an active member on university campus engaged as a member of several student societies and UniCentre clubs. Outside the University, he maintains a dynamic connection to wider community through his sporting interests and his involvement in Junior Chamber International Illawarra. Ian will bring to the board an enthusiasm for corporate governance and will ensure that UniCentre will continue to enhance the student experience at the University of Wollongong.

Mary Youssif

B.Com, M.Stud.Accy, FCPA, ACIS, RTA, JP
Non Executive Director
Director since August 2004

Mary has held various senior and executive positions within the Coal Mining and Chemical Manufacturing Industries for 15 years. She also worked for the University of Wollongong between 1993 and 2001 in Chief Accountant and Project Management positions. During that time she was the Vice-Chancellor's representative on the UniCentre's Children's Services Management Committee. Currently she operates her own accounting practice locally. Mary has been a director on the Board of Community Alliance Credit Union (The Illawarra Credit Union) for the past 20 years and is in her third term serving as Chairman of the Board. During her time she formed and Chaired their Audit Committee, was on their Strategic Planning Committee for 4 years (Chair for one year). In 2010 she was Chair of the Governance Committee and currently continues to serve on this committee.

Claudia Perry-Beltrame

BCom (Dist) MBA (Dist)
Non Executive Director
Director since October 2010

Claudia has been employed at the University of Wollongong since 2004. Currently she works as Project Manager leading quality framework projects in research and teaching, as well as supporting the University's strategic planning functions. Other roles were in student administration, financial management, policy development and as Executive Officer for the University's internationalisation committees and member of the AdminNet Committee. Her previous employment was in the tourism industry where she worked across functions in tour planning, product development and accounting. Claudia is married and has two teenage sons. Her community engagement includes Junior Chamber International Illawarra, where she was foundation Treasurer, first elected President and Member Development Director.

Dean Young

Non Executive Director
Director since December 2010

Dean started his career working as a Trainee Accountant for a local council in the UK. He qualified as an Accountant in 1997, shortly after joining an Investment Bank in London as a Management Accountant. In 2002, Dean commenced his career in Property working for CB Richard Ellis as a Financial Controller responsible for the Europe, Middle East and Asia regions. Having migrated to Australia in 2005, he joined AMP as a Divisional Finance Manager responsible for various Shopping Centres within Australia and New Zealand. In 2006, Dean became the Centre Manager of a Shopping Centre in Sydney, before transferring to the Illawarra responsible for Dapto Mall. At the start of 2010, Dean moved to Wollongong Central where he is today the Centre Manager for the GPT Group. Dean's interests include all sports, primarily football, golf and tennis.

James Parrish

Non Executive Director
Director since October 2010

James is an undergraduate student in his third year of a combined Arts-Law degree. James has lived in the Illawarra all his life, graduating from the Illawarra Grammar School in 2008. James served on both the Academic Senate and Academic Senate Standing–Committee during 2010. He is also the Vice-President of two UniCentre clubs on campus and greatly values the social support and networking opportunities provided by the Clubs and Societies make-up. As a student representative on the UniCentre Board of Directors James intends to endeavour to consolidate the strong presence of UniCentre as a highly effective student-provider institution by ensuring that a clear and fair voice for students is pronounced.

BOARD OF DIRECTORS

This statement outlines the Wollongong UniCentre Corporate Governance Practices that were in place throughout the financial year.

The Board of Directors' consists of six elected and six appointed directors, as provided for in the Articles of Association. The elected directors are drawn from the staff and students of the University, and the staff of UniCentre. The directors appointed by the University are selected with regard to the Government's guidelines for governance in controlled entities. The General Manager is the only Executive Director.

There were six meetings of the Board during 2010. The number of Board meetings attended by directors is detailed below.

The Board is responsible for the overall Corporate Governance of the Wollongong UniCentre including strategic direction, establishing goals for management, monitoring organisational performance and ensuring that stewardship frameworks are in place.

The Board has approved a Corporate Governance Manual. The document outlines in detail the Rights and Responsibilities of Directors, and requires that directors uphold the Australian Institute of Directors Code of Conduct. It also states the requirements for ethical conduct within the organisation, and establishes a process for review of Board and Director effectiveness. Directors are required to submit disclosure of pecuniary interests on appointment and annually. Directors are offered external training and development activities, primarily through Australian Institute of Company Directors.

DIRECTORS MEETING ATTENDANCE

	Board		Audit & Risk M'gmt		Services		Children's Services	
	A	B	A	B	A	B	A	B
Chris Grange	3	6	-	-	-	-	-	-
Jo-Ann Fisher	5	6	-	-	3	5	2	2
Bryce Fraser	2	3	-	-	2	3	-	-
Chris Mowbray	2	4	0	2	-	-	-	-
Michael Gillmore	6	6	4	4	4	5	2	2
Jessica Saad	2	4	-	-	4	4	-	-
Brian Ward	5	6	4	4	-	-	-	-
Chris Whittaker	3	4	1	2	3	4	-	-
Mary Youssif	4	6	3	4	-	-	-	-
Justin Ayre	4	5	2	3	-	-	-	-
Michael Bolt	1	2	-	-	-	-	-	-
Matt Greiss	2	2	-	-	1	1	-	-
Claudia Perry-Beltrame	2	2	-	-	1	1	-	-
Ian Murray	2	2	1	1	-	-	-	-
James Parrish	2	2	1	1	-	-	-	-
Walter Immoos	2	3	-	-	1	1	-	-

A = Number of meetings attended
B = Reflects the number of meetings held during the time the director held office during the year

In May of 2010 Mr Michael Bolt, UOW Appointed Director, resigned and was ultimately replaced in early 2011. Mr Bryce Fraser, UOW Appointed Director and Deputy Chair resigned after 15 years of valuable service to the organisation. Mr Brian Ward accepted the nomination, and unanimous affirmation of fellow directors for the role of Deputy Chair of the UniCentre Board. Mr Walter Immoos accepted the UOW Appointment to the UniCentre Board commencing in August.

The terms of three elected directors, Ms Jo-Ann Fisher (UniCentre Staff elected Director), Ms Jessica

Saad (UOW Staff elected Director) and Mr Chris Whittaker (Student elected Director) concluded which required elections to be held in August of 2011. Additionally, Mr Chris Mowbray (Student elected Director) resigned his directorship due to his student status – non continuing completion of degree. The August Elections saw the following directors commence their roles in October 2010: Ms Jo-Ann Fisher (UniCentre Staff elected Director); Mr Ian Murray (Student elected Director); Mr James Parrish (Student elected Director); Mr Matt Greiss (Student elected Director) and Ms Claudia Perry-Beltrame (UOW Staff elected Director).

INSURANCE OF DIRECTORS AND OFFICERS

During the financial year a premium to insure directors and officers of the company was paid by the University of Wollongong, to the amount of $35,000 per S300 (1)g, 300(8) and 300(9). The liabilities insured include costs and expenses that may be brought against the directors and officers in their capacity as directors and officers of the company.

RESULTS

	Consolidated		UniCentre	
	2010 $	2009 $	2010 $	2009 $
Revenue	17,857,375	17,288,603	17,069620	16,395,293
Operating profit before income tax	452,506	37,607	277,597	260,498
Income tax attribute to operating profit	66,756	(42,780)	-	-
Net profit	385,750	80,387	277,597	260,498
Retained profits at the beginning of the financial year	9,030,691	8,950,304	9,138,842	8,878,344
Retained profits at the end of the financial year	9,416,441	9,030,691	9,416,439	9,138,842

PRINCIPAL ACTIVITIES

The Company's principal activities are the operation of commercial activities on The University of Wollongong Campuses including Food Services, UniBar, UniShop, Child Care, Post Office and Student Engagement.

AUDIT PROCESS

As a controlled entity of the University of Wollongong, the external auditors are The Audit Office of NSW, and their agents. The Audit and Risk Management Committee advises the Board on the external audit program and outcomes. As a part of its process, the committee requires:

- The attendance of The Audit Office of NSW representatives at meetings where their reports are considered.
- A formal sign-off from management to the Board, on the accuracy of financial position and performance statements.
- A procedure of absenting senior managers during Audit meetings.

INTERNAL CONTROL FRAMEWORK

To assist in the discharge of its responsibilities for the internal control framework, the Board uses Internal Auditors KPMG to ensure compliance with Internal Controls. The current Internal Audit Plan provides for a schedule of reviews of the following topics:

- Capital Works - Procurement and Financial Management
- Procurement and Payables
- Stock Management and Controls
- IT (UniCentre specific IT controls)
- Cash Handling
- Payroll and Taxation

DELEGATION OF AUTHORITY

The Board has, under section 198D of the Corporations Act, defined delegations of authority to individuals and committees. These delegations are recorded in the Governance Manual and cover:

- Property, Plant and Equipment
- Authority to enter contracts
- Staff and organisation
- Operating Expenditure
- Financial Administration
- Sponsorship and Donation

RISK MANAGEMENT

The Chief Executive Officer oversees a range of risk management strategies on behalf of the Board of Directors. A Risk Assessment Program was conducted in 2009 and key areas of risk are embedded in quarterly reporting processes. Other specific arrangements include:

- Review by the Board of the annual budget, and quarterly financial performance reviews.
- A comprehensive Insurance Program.
- Policies to ensure that capital expenditure commitments above a certain limit are authorised by the Board.
- Occupational Health and Safety reviews of the workplace in accordance with the relevant legislation.

BOARD COMMITTEES

The Board has the following advisory committees:

- Services Committee
- Audit and Risk Management Committee
- Children's Services Consultative Committee

DIVIDENDS

Dividends are not payable by companies limited by guarantee, such as the Wollongong UniCentre Ltd as a company limited by guarantee. Dividends are payable by the UniCentre Conferences and Functions Pty Ltd to Wollongong UniCentre Ltd, but will cease with the winding up of this organisation and merging into the parent entity.

STATE OF AFFAIRS

Unicentre Conferences and Functions Pty Limited, UniCentre's subsidiary commenced liquadation on 1 January 2011. All assets and liabilities of the subsidiary were transferred to UniCentre in December 2010 and a debt of $253,399 was forgiven. UniCentre will continue the operations previously performed by the subsidiary. There were no significant changes to the scope of operating activities of the UniCentre during 2010. A range of service initiatives is discussed in the Review of Operations.

EVENTS SUBSEQUENT TO BALANCE DATE

There were no events subsequent to the balance date.

LIKELY DEVELOPMENTS

Currently no likely developments to report.

AUDITOR'S INDEPENDENT DECLARATION

A copy of the Auditor's Independence Declaration as required under Section 307c of the Corporations Act 2001 is set out on page 17.

REVIEW OF OPERATIONS

The operations of Wollongong UniCentre have been extremely busy through the 2010 year from a service and improvement perspective.

2010 was a year of change for Food and Beverage Services and (the previous) Conferences and Functions, with a complete revision of organisational structure and the appointment of several new key team members. The resulting move towards consistent cost effective food production, a specialist Events and Venues Office which focuses on client relationships and marketing, and a retail and licensing section focusing on customer service, inventory management and merchandising has been created. Food and beverage retail operations performed extremely well, exceeding budget targets, and product lines were reviewed and revised after researching customer requirements. These were reflected in the new Fuel outlet which opened its doors in November, while the conference and functions business repositioned itself as the prime venue for internal customers during day times and for external customers at evenings and weekends. Good relationships with food and beverage tenants were maintained and leases were extended on several outlets during the course of the year.

The year of 2010 proved to be a year of change and improvement for the non food retail business areas and UniCentre business support. Some major achievements included the UniCentre re-branding exercise spearheaded by our Marketing team. Extensive consultation was undertaken to refresh the UniCentre look and feel and align with the University initiatives in student engagement. UniCentre brand now reinforced as 'UniCentre – Experience UOW'. In keeping with our new branding, our workforce undertook a review of the organisations mission and vision to better capture our purpose on and off campus while providing the reader with meaning as to our purpose.

Centre for Student Engagement (CSE) implemented a number of successful programs, while there are many well run and delivered services perhaps the most notable was the 'MAA Team Drive to Survive' program was conducted and run by UOW students which received high accolades by the MAA and directly came in contact with over 11,000 people during its course. Our entertainment program for 2010 included a much evolved inaugural 'Lunch on the Lawn' series of free entertainment. The entire campus enjoyed the lunchtime entertainment and this program will continue to be developed through 2011. Other 'wins' included the first UOW Debate Team for some years competing in Melbourne, a very successful Band Comp with 36 entrants and where the UOW winner also won the NSW title and competed in Perth for the National Crown achieving 'runner up'. Congratulations Sydney Girls Choir! 2010 witnessed the inaugural UOW Fashion Week, consisting of a model search, fashion parade and design component. The CSE team delivered significant leadership programs in the 2010 programs and a sample of such was the Community Impact Teams 'FuSS – It's Time to Make a Fuss about water safety' collaborated program with the Strategic Community Assistance to Refugee Families (SCARF). The program consisted on 12 student leaders, 17 participants in surf safety workshops, 13 participants in a fishing workshop and 25 participants in swimming lessons.

The UniCentre business units of UniShop and Post Office performed well through the year. Notable initiatives within the units included an unprecedented take up of the 'Win back the price of your Textbooks' promotion with well over 11,128 entrants across spring and autumn sessions, textbook support extended to the Sydney Business School and textbook availability at week 1 of session over 98%. UniShop employees also welcomed the impending change of the Post Office relocation into the UniShop with the removal of clothing into the newly refurbished Building 11 set to open early 2011. With the proposed changes UniShop and Post Office employees embraced the changed where an extensive consultation process was undertaken to harness knowledge in a long term plan for a new layout of the UniShop that will be further explored and costed in 2011 making the UniShop experience for students even better.

OHS and environment were at the forefront of all UniCentre strategy, meetings and processes. Our OHS Committee are a committed group of dedicated staff that reviewed the Occupational Health and Safety System throughout the course of the year over six committee meetings in addition to delivering a hazard inspection program across the organisation. Key environmental initiatives included a recycling review and rationalisation of some of the waste services in conjunction with Thiess along with the review of the UniCentre Environmental policy which supported the most energy efficient replacement air conditioning unit available into the Careers Service on the ground floor of Building 11. Another significant achievement was the full year waiver received in recognition of UniCentre efforts and delivery in equal opportunity for women in the workplace. EOWA, the Equal Opportunity for Women in the Workplace Agency have stringent reporting requirements of which UniCentre have an enviable history and we can once again boast of being a positive employer of women with our flexible work practices, pay equity and professional development for women.

FINANCIAL OUTCOMES

The 2010 year for the organisation has been one of improvement against prior years – with significant success.

UniCentre income for the year grew to $17,857,375 an 3.3% increase on 2009, with an operating surplus of $452,506 before income tax. This result is an improvement on the 2009 result of $414,899 – a significant improvement.

The UniCentre full year result is a good result which grows on the hard work of prior years and development opportunities working well.

Individual trading unit performances were predominantly better than budget, excepting less than expected performance from the Conference and Functions Unit and UniBar (to a lesser degree).

The General Overheads for the organisation were higher than expected, predominantly due to higher than budgeted Corporate Services costs. The increased costs in this overhead line were as a result of employment separation, legal and service point changes.

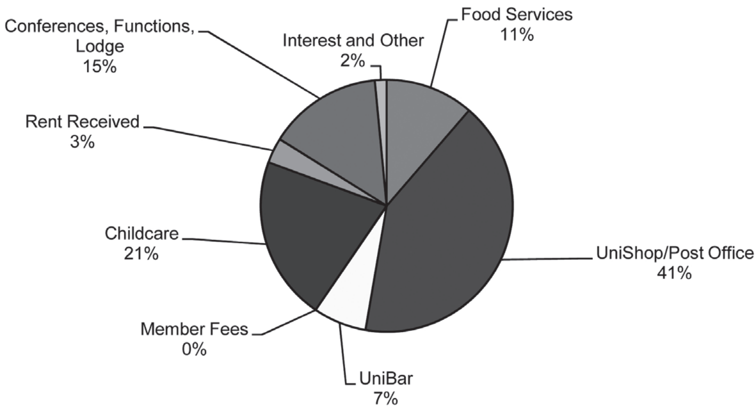
Student Engagement Activity costs were less than budget due to increased external support and well accepted changes to leisure activity on campus.

The changes to the Conference & Functions unit have set this trading area up to improve its financial and service performance to the market – allowing the organisation to better analyse and monitor performance.

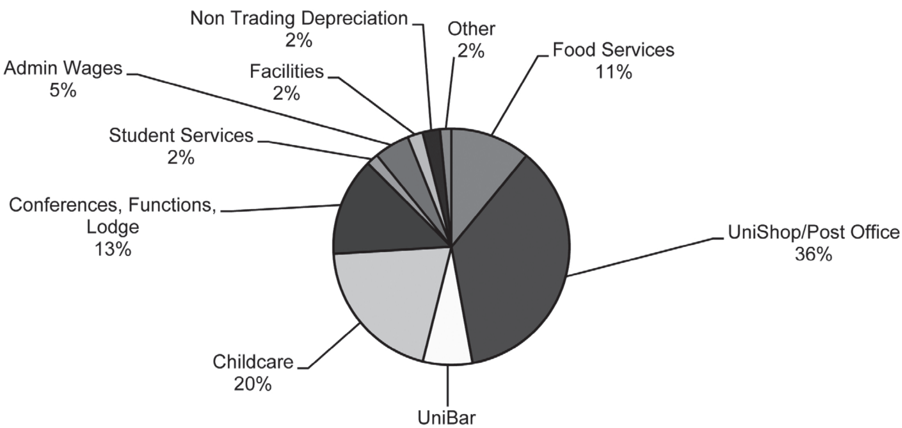
Children's Services as a unit had success against budget, but not to the degree experienced the year prior. UniShop has again performed ahead of budget expectation, with part of this improved margin performance and rostering efficiencies.

While reviewing the financial performance of the organisation against the full year budget, the result is positive and expected to continue in years ahead.

2010 Income Dissection



2010 Expenditure Dissection



Signed in accordance with a resolution of the Board of Directors on April 5, 2011:

C Grange
Executive Director

M Gillmore
Director

GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

Wollongong UniCentre Limited

To Members of the New South Wales Parliament and Members of Wollongong UniCentre Limited

I have audited the accompanying financial statements of Wollongong UniCentre Limited (the Company), which comprise the statements of financial position as at 31 December 2010, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Company and the consolidated entity. The consolidated entity comprises the company and the entities it controlled at the year's end or from time to time during the financial year.

Auditor's Opinion

In my opinion the financial statements:

- are in accordance with the *Corporations Act 2001*, including:
  - giving a true and fair view of the Company's and consolidated entity's financial positions as at 31 December 2010 and their performance for the year ended on that date
  - complying with Australian Accounting Standards and the Corporations Regulations 2001
- are in accordance with section 41B of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2010.

My opinion should be read in conjunction with the rest of this report.

Directors' Responsibility for the Financial Statements

The directors of the Company are responsible for the preparation of the financial statements that give a true and fair view in accordance with Australian Accounting Standards, the PF&A Act and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with Australian Auditing Standards. Those Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

My opinion does *not* provide assurance:

- about the future viability of the Company and the consolidated entity
- that they have carried out their activities effectively, efficiently and economically
- about the effectiveness of their internal control
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.

Independence

In conducting my audit, I have complied with the independence requirements of the Australian Auditing Standards, *Corporations Act 2001* and other relevant ethical pronouncements. The PF&A Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by the possibility of losing clients or income.

I confirm that the independence declaration required by the *Corporations Act 2001*, provided to the directors of Wollongong UniCentre Limited on 4 April 2011, would be in the same terms if provided to the directors as at the date of this auditor's report.

Peter Coulogeorgiou
Director, Financial Audit Services

7 April 2011
SYDNEY

AUDITOR-GENERAL
NEW SOUTH WALES

GPO BOX 12
Sydney NSW 2001

To the Directors
Wollongong UniCentre Limited

Auditor's Independence Declaration

As auditor for the audit of the financial statements of Wollongong UniCentre Limited for the year ended 31 December 2010, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- the auditor independence requirements of the *Corporations Act 2001* in relation to the audit, and
- any applicable code of professional conduct in relation to the audit.

Peter Coulogeorgiou
Director, Financial Audit Services

4 April 2011
SYDNEY

DIRECTORS' DECLARATION

In the opinion of the directors of Wollongong UniCentre Limited ("the Company"):

1. The financial statements and notes, set out on pages 19 to 48 inclusive, are in accordance with the provisions of the Public Finance and Audit Act 1983 and the Corporations Act 2001, including:

   (a) giving a true and fair view of the financial position of the Company and the Consolidated entity as at 31 December 2010 and of their performance, as represented by the results of its operations and their cash flows, for the year ended on that date; and

   (b) complying with Australian Accounting Standards and the Corporations Regulations 2001;

and

2. There are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

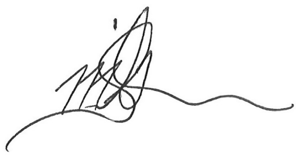
We are not aware of any circumstances that would render any particulars included in the financial reports to be misleading or inaccurate.

Dated at Wollongong April 5, 2011.

Signed in accordance with a resolution of the directors.

SIGNATURES

C Grange
Exectutive Director



M Gillmore
Director

Income Statement Year ending 31 December 2010

	Notes	Consolidated 2010 $	Consolidated 2009 $	Parent entity 2010 $	Parent entity 2009 $
Revenue from continuing operations	3	**17,857,375**	17,288,603	**17,069,620**	16,395,293
Gain/(loss) on disposal of assets	4	**12,209**	(91,871)	**12,209**	(91,871)
Raw materials and consumables used		**(6,859,136)**	(7,043,381)	**(6,485,816)**	(6,507,641)
Employee benefits expense	5	**(7,696,700)**	(7,358,880)	**(7,629,556)**	(7,225,015)
Depreciation and amortisation expense	5	**(632,334)**	(702,895)	**(632,334)**	(702,895)
Other operating expenses	5	**(2,228,908)**	(2,053,969)	**(2,056,526)**	(1,607,373)
Profit from continuing operations before income tax		**452,506**	37,607	**277,597**	260,498
Income tax expense	6	**(66,756)**	42,780	**-**	-
Profit from continuing operations after income tax		**385,750**	80,387	**277,597**	260,498
Profit for the year after income tax		**385,750**	80,387	**277,597**	260,498

The above income statement should be read in conjunction with the accompanying notes.

Statement of Comprehensive Income Year ending 31 December 2010

	Consolidated 2010 $	Consolidated 2009 $	Parent entity 2010 $	Parent entity 2009 $
Profit for the year after income tax	**385,750**	80,387	**277,597**	260,498
Total comprehensive income for the year	**385,750**	80,387	**277,597**	260,498
Total comprehensive income for the year is attributable to:				
Members of the parent entity	**385,750**	80,387	**277,597**	260,498
	385,750	80,387	**277,597**	260,498

The above statement of comprehensive income should be read in conjunction with the accompanying notes.

Statement of Changes in Equity Year ending 31 December 2010

	Notes	Consolidated 2010 $	Consolidated 2009 $	Parent entity 2010 $	Parent entity 2009 $
Accumulated comprehensive income at the beginning of the financial year		**9,030,691**	8,950,304	**9,138,842**	8,878,344
Profit for the period attributable to members of the parent entity		**385,750**	80,387	**277,597**	260,498
Accumulated comprehensive income at the end of the financial year		**9,416,441**	9,030,691	**9,416,439**	9,138,842

Statement of Financial Position — As at 31 December 2010

	Notes	Consolidated 2010 $	Consolidated 2009 $	Parent entity 2010 $	Parent entity 2009 $
ASSETS					
Current assets					
Cash and cash equivalents	7	**2,402,926**	4,168,532	**2,402,926**	3,475,930
Trade and other receivables	8	**713,438**	933,697	**713,438**	668,499
Inventories	9	**2,324,706**	2,356,484	**2,324,706**	2,333,042
Financial assets at fair value through profit or loss	10	**-**	30,405	**-**	30,405
Current tax receivables	11	**-**	27,207	**-**	-
Total current assets		**5,441,070**	7,516,325	**5,441,070**	6,507,876
Non-current assets					
Investment in subsidiary		**-**	-	**1**	1
Property, plant and equipment	13	**6,786,323**	6,862,434	**6,786,323**	6,862,434
Deferred tax assets	6	**-**	66,756	**-**	-
Intangible assets	14	**20,103**	20,103	**20,103**	20,103
Total non-current assets		**6,806,426**	6,949,293	**6,806,427**	6,882,538
Total assets		**12,247,496**	14,465,618	**12,247,497**	13,390,414
LIABILITIES					
Current liabilities					
Trade and other payables	15	**1,583,456**	4,154,423	**1,583,459**	3,009,070
Provisions	16	**724,876**	737,982	**724,876**	699,980
Income tax payable	17	**-**	-	**-**	-
Other liabilities	18	**190,928**	165,944	**190,928**	165,944
Total current liabilities		**2,499,260**	5,058,349	**2,499,263**	3,874,994
Non-current liabilities					
Provisions	19	**179,081**	184,364	**179,081**	184,364
Other liabilities	20	**152,714**	192,214	**152,714**	192,214
Total non-current liabilities		**331,795**	376,578	**331,795**	376,578
Total liabilities		**2,831,055**	5,434,927	**2,831,058**	4,251,572
Net assets		**9,416,441**	9,030,691	**9,416,439**	9,138,842
EQUITY					
Retained earnings	21	**9,416,441**	9,030,691	**9,416,439**	9,138,842
Total equity		**9,416,441**	9,030,691	**9,416,439**	9,138,842

The above statement of financial position should be read in conjunction with the accompanying notes.

	Notes	Consolidated **2010** **$**	Consolidated 2009 $	Parent entity **2010** **$**	Parent entity 2009 $
Cash flows from operating activities					
Receipts from customers		**17,914,212**	17,335,804	**16,806,250**	16,353,228
Payments to suppliers and employees		**(19,356,120)**	(14,927,624)	**(17,583,358)**	(14,309,784)
Interest received		**182,205**	120,379	**154,224**	96,815
Income taxes paid		**27,207**	(38,714)	**-**	-
Dividends received		**-**	-	**82,990**	109,388
Net cash flows from/(used in) operating activities	29	**(1,232,496)**	2,489,845	**(539,894)**	2,249,647
Cash flows from investing activities					
Payments for property, plant and equipment		**(556,566)**	(521,415)	**(556,566)**	(521,415)
Proceeds from sale of property, plant and equipment		**13,032**	8,909	**13,032**	8,909
Financial assets at Fair value through profit and loss		**29,924**	89,037	**29,924**	89,037
Net cash flows from/(used in) investing activities		**(513,610)**	(423,469)	**(513,610)**	(423,469)
Cash flows from financing activities					
Repayment of borrowings		**(19,500)**	(17,728)	**(19,500)**	(17,728)
Net cash flows from/(used in) financing activities		**(19,500)**	(17,728)	**(19,500)**	(17,728)
Net increase /(decrease) in cash and cash equivalents		**(1,765,606)**	2,048,648	**(1,073,004)**	1,808,450
Cash and cash equivalents at the beginning of the financial year		**4,168,532**	2,119,884	**3,475,930**	1,667,480
Cash and cash equivalents at the end of the financial year	7	**2,402,926**	4,168,532	**2,402,926**	3,475,930

The above statement of cash flows should be read in conjunction with the accompanying notes.

1 Summary of significant accounting policies

Wollongong UniCentre Limited (the "Company") is a company limited by guarantee incorporated and domiciled in Australia. If the Company is wound up, each 'member' is liable to contribute a maximum of $1.00 towards the costs, charges and expenses of winding up the Company and payment of debts and liabilities of the Company. The address of the Company's registered office is Northfields Avenue, North Wollongong NSW 2500.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

The consolidated financial statements of the Company for the year ended 31 December 2010 comprise the Company and its subsidiary UniCentre Conferences and Functions Pty Limited (together known as the Consolidated entity). The Company's investment in its subsidiary totals $1.00 and this amount is eliminated on consolidation.

The nature of the operations and principal activities of the Consolidated entity are providing services to students including childcare, entertainment, student engagement activities, retail and food services.

The Company guaranteed the financial support of its subsidiary, UniCentre Conferences and Functions Pty Limited, for the year 2009 being owed $894,752. The subsidiary is commencing liquidation on 1 January 2011, all assets and liabilities have been transferred to the Company (Note 26). As at December 2010, the subsidiary had a debt of $253,399 owing to the Company, this debt has been forgiven (Note 5). The forgiveness of this debt was approved by the board of the Company.

(a) Basis of preparation

These financial statements are general purpose financial statements, which have been prepared in accordance with Australian Accounting Standards (AASB) (which includes Australian Accounting Interpretations) and other authoritative pronouncements of the Australian Accounting Standards Board, the Public Finance and Audit Act 1983 and the *Corporations Act 2001.*

These statements were authorised for issue on the 5 April 2011.

The financial statements are presented in Australian dollars.

Compliance with IFRS
The financial statements of the Consolidated entity and the Company do not comply with IFRS because the Consolidated entity and the Company have adopted the not for profit requirements of the Australian Accounting Standards which are inconsistent with IFRS requirements.

Historical cost convention
The financial statements have been prepared under the historical cost convention except that the liability for long service leave is adjusted to net present value.

Critical accounting estimates
The preparation of financial statements in conformity with Australian Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Consolidated entity's accounting policies.

The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(b) Principles of consolidation

(i) Subsidiaries
The consolidated financial statements incorporate the assets and liabilities of the Company as at 31 December 2010 and the results of all subsidiaries for the year then ended. The Company and its subsidiaries together are referred to in these financial statements as the Consolidated entity. The Company has one subsidiary only, known as UniCentre Conferences and Functions Pty Limited, whose financial statements are included in the Consolidated financial statements.

1 Summary of significant accounting policies (continued)

Inter-entity balances and any income or expenses arising from inter-entity transactions, are eliminated in preparing the consolidated financial statements. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Consolidated entity.

Subsidiaries are all those entities over which the Consolidated entity has the power to govern the financial and operating policies so as to obtain benefits from their activities.

Subsidiaries are fully consolidated from the date on which control is transferred to the Consolidated entity. They are de-consolidated from the date that control ceases.

Investments in subsidiaries are accounted for at cost in the seperate financial statements of the Company.

(c) Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of returns, trade allowances, rebates and amounts collected on behalf of third parties.

The Consolidated entity recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the Consolidated entity and specific criteria have been met for each of the Consolidated entity's activities as described below. The Consolidated entity bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is recognised for the major business activities as follows:

(i) Sale of goods and rendering of services
Revenue from the sale of goods is recognised as revenue when the significant risks and rewards of ownership have been transferred to the buyer, the amount of revenue can be measured reliably and it is probable that the economic benefits associated with the transaction will flow to the company. Revenue from rendering services is recognised when that service has been fully provided.

Customer loyalty programme
The Company operated a loyalty programme where customers accumulate points for purchases made which entitle them to discounts on future purchases. The award points are recognised as a separately identifiable component of the initial sale transaction, by allocating the fair value of the consideration received between the award points and the other components of the sale such that the award points are recognised at their fair value. Revenue from the award points is recognised when the points are redeemed. The amount of revenue is based on the number of points redeemed relative to the total number expected to be redeemed. Award points expire 12 months after the initial sale, the value of the expired points are recognised in revenue. The customer loyalty programme ended in 2008, with last points expiring in March 2009.

(ii) Lease income
Lease income from operating leases is recognised as income on a straight-line basis over the lease term.

(iii) Interest income
Interest income is recognised in the income statement as it accrues.

(iv) Dividends
Dividends are recognised as revenue when the right to receive payment is established.

(d) Interest costs

Interest costs comprise interest payable on borrowings, which is recognised in the income statement as it accrues.

(e) Income tax

The operations of the Company are exempt from income tax under Section 50-5 of the *Income Tax Assessment Act (1997).*

The operations of the Company are exempt from payroll tax under Sections 10.1(k) and 10.2 of the *Payroll Tax Act 1971.*

1 Summary of significant accounting policies (continued)

The income tax expense or revenue for the period is the tax payable on the current period's taxable income based on the national income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements and to unused tax losses.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at reporting date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for deductible temporary differences and unused tax losses, only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in controlled entities where the parent entity is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

Current and deferred tax assets and liabilities relating to the same taxation authority are offset when there is a legally enforceable right to offset current tax assets and liabilities and they are intended to be either settled on a net basis, or the asset is to be realised and the liability settled simultaneously.

Current and deferred tax balances attributable to amounts recognised outside profit and loss are also recognised outside profit and loss.

(f) Leases

Leases of property, plant and equipment where the Consolidated entity, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases (note 13). Finance leases are capitalised at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Consolidated entity will obtain ownership by the end of the lease term.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Consolidated entity as lessee are classified as operating leases (note 24). Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

Lease liabilities are reduced by repayments of principal. The interest components of the lease payments are expensed. Contingent rentals are expensed as incurred.

(g) Impairment of assets

Goodwill and intangible assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

(h) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

1 Summary of significant accounting policies (continued)

(i) Trade and other receivables

Trade and other receivables are recognised at the original invoice amount as this is not materially different to amortised cost, given the short term nature of these receivables.

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectible are written off. A provision for impairment of receivables is established when there is objective evidence that the Consolidated entity will not be able to collect all amounts due according to the original terms of receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments (more than 30 days overdue) are considered indicators that the trade receivable is impaired. The amount of the provision is recognised in the income statement.

Debt forgiveness is recognised as the amount receivable as at the time the debt is forgiven.

(j) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs are assigned to inventory on hand by the method most appropriate to each particular class of inventory, with the majority being valued on a weighted average cost basis. Net realisable value represents the estimated selling price in the ordinary course of business less all estimated selling costs.

(k) Investments and other financial assets

Classification
Investments and financial assets in the scope of AASB 139 Financial Instruments: Recognition and Measurement are categorised as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Designation is re-evaluated at each reporting date, but there are restrictions on reclassifying to other categories.

(i) Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term. Derivatives are classified as held for trading unless they are designated as hedges. Assets in this category are classified as current assets.

(ii) Loans and receivables
Loans and receivables are non derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those with maturities greater than 12 months after reporting date which are classified as non-current assets. Loans and receivables are included in receivables in the statement of financial position.

(iii) Held-to-maturity investments
Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Consolidated entity's management has the positive intention and ability to hold to maturity.

(iv) Available-for-sale financial assets
Available-for-sale financial assets, comprising principally marketable equity securities, are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the investment within 12 months of reporting date.

Regular purchases and sales of financial assets are recognised on trade-date - the date on which the Consolidated entity commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs for all financial assets not carried at fair value through profit or loss. Financial assets carried at fair value through profit or loss are initially recognised at fair value and transaction costs are expensed in the income statement. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Consolidated entity has transferred substantially all the risks and rewards of ownership.

When securities classified as available-for-sale are sold, the accumulated fair value adjustments recognised in other comprehensive income are included in the income statement as gains and losses from investment securities.

1 Summary of significant accounting policies (continued)

Subsequent measurement
Available-for-sale financial assets and financial assets at fair value through profit and loss are subsequently carried at fair value. Gains or losses arising from changes in the fair value of the 'financial assets at fair value through profit or loss' category are presented in the income statement within other income or other expenses in the period in which they arise. Dividend income from financial assets at fair value through profit and loss is recognised in the income statement as part of revenue from continuing operations when the Consolidated entity's right to receive payment is established.

Fair value
The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Consolidated entity establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Impairment
The Consolidated entity assesses at each reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of a security below its cost is considered in determining whether the security is impaired. If any such evidence exists for available-for-sale financial assets, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit and loss - is removed from equity and recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

(l) Property, plant and equipment

(i) Owned Assets

Property, plant and equipment is stated at historical cost less depreciation.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Consolidated entity and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the reporting period in which they are incurred.

Depreciation is calculated on a straight-line basis over the estimated useful life of the specific assets as follows:

	2010	2009
- Building Improvements	5-10 years	5-10 years
- Plant and equipment	3-10 years	3-10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in the income statement. An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

(ii) Occupancy Contribution

The Company from time to time contributes to the cost of construction of buildings, their improvements and landscaping on land over which it has no security or tenure. These amounts are accounted for in the statement of financial position as Occupancy Contribution, pursuant to an agreement reached with the University of Wollongong. Occupancy Contribution is amortised over 30 years. The Company has the right to occupy these buildings for the life of the asset.

(m) Intangible assets

(i) Goodwill
Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of the business combination over the Company's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired.

Impairment losses recognised for goodwill are not subsequently reversed.

1 Summary of significant accounting policies (continued)

(ii) Establishment costs
Establishment costs are those costs for the formation of the subsidiary UniCentre Conferences and Functions Pty Limited. Establishment costs are amortised over a period of 5 years.

(n) Trade and other payables

Trade and other payables are stated at cost, which is considered to approximate amortised cost due to their short term nature and are recognised when the Consolidated entity becomes obliged to make future payments resulting from the purchase of goods and services.

(o) Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the income statement over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities, which are not an incremental cost relating to the actual draw-down of the facility, are recognised as prepayments and amortised on a straight-line basis over the term of the facility.

Borrowings are removed from the statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in other income or other expenses.

Borrowings are classified as current liabilities unless the Consolidated entity has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date and does not expect to settle the liability for at least 12 months after the reporting date.

(p) Provisions

Provisions for legal claims, service warranties and make good obligations are recognised when the Consolidated entity has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of management’s best estimate of the expenditure required to settle the present obligation at the reporting date. The pre-tax discount rate used to determine the present value reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision resulting from the passage of time is recognised in finance costs.

(q) Employee benefits

(i) Wages, salaries and annual leave
Liabilities for wages and salaries (including non-monetary benefits) and annual leave that are due to be settled within 12 months after the end of the period in which the employees render the service are recognised and measured in respect of employees’ services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled. Regardless of the expected timing of settlements, provisions made in respect of employee benefits are classified as a current liability, unless there is an unconditional right to defer the settlement of the liability for at least 12 months after the reporting date, in which case it would be classified as a non-current liability.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with *AASB 119 Employee Benefits.*

(ii) Long service leave
The liability for long service leave is recognised in the provision for employee benefits and measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date.

The provision is calculated using estimated future increases in wage and salary rates including related on-costs and expected settlement dates based on turnover history and is discounted using the rates attached to national government securities at reporting date which most closely match the terms of maturity of the related liabilities. Leave is charged to the provision at the time leave is taken.

1 Summary of significant accounting policies (continued)

(iii) Superannuation entitlements
Contributions to employee superannuation funds are charged against income as incurred. The Consolidated entity is under no legal obligation to make up any shortfall in the funds assets to meet payments due to employees.

(r) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the taxation authority. In this case it is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the taxation authority is included with other receivables or payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the taxation authority, are presented as operating cash flows.

(s) New accounting standards and interpretations

Certain new accounting standards and interpretations have been published that are not mandatory for 31 December 2010 reporting periods. The Consolidated entity's and the parent entity's assessment of the impact of these new standards and interpretations is set out below.

Standard	Name	Application Date
AASB 1	First-time Adoption of Australian Accounting Standards	1 January 2011
AASB 3	Business Combinations	1 January 2011
AASB 4	Insurance Contracts	1 January 2011
AASB 5	Non current Assets Held for Sale and Discontinued Operations	1 January 2011
AASB 7	Financial Instruments: Disclosures	1 January 2011
AASB 8	Operating Segments	1 January 2011
AASB 9	Financial Instruments	1 January 2013
AASB 101	Presentation of Financial Statements	1 January 2011
AASB 107	Statement of Cash Flows	1 January 2011
AASB 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2011
AASB 110	Events after the Reporting Period	1 January 2011
AASB 112	Income Taxes	1 January 2011
AASB 118	Revenue	1 January 2011
AASB 119	Employee Benefits	1 January 2011
AASB 121	The Effects of Changes in Foreign Exchange Rates	1 January 2011
AASB 124	Related Party Disclosures	1 January 2011
AASB 132	Financial Instruments: Presentation	1 January 2011
AASB 133	Earnings per Share	1 January 2011
AASB 134	Interim Financial Reporting	1 January 2011
AASB 137	Provisions, Contingent Liabilities and Contingent Assets	1 January 2011
AASB 139	Financial Instruments: Recognition and Measurement	1 January 2011
AASB 140	Investment Property	1 January 2011
AASB 1023	General Insurance Contracts	1 January 2011
AASB 1031	Materiality	1 January 2011
AASB 1038	Life Insurance Contracts	1 January 2011
AASB 1053	Application of Tiers of Australian Accounting Standards	1 July 2013

Amending Standards

Standard	Name	Application Date
2009-11	Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 & 1038 and Interpretations 10 & 12]	1 January 2013
2009-12	Amendments to Australian Accounting Standards [AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	1 January 2011
2009-14	Amendments to Australian Accounting Standards[AASBs 5, 8, 108, 110, 112, 119, 133, 137, 139, 1023 & 1031 and Interpretations 2, 4, 16, 1039 & 1052]	1 January 2011
2010-02	Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements[AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 & 1052 and Interpretations 2, 4, 5, 15, 17, 127, 129 & 1052]	1 January 2013
2010-04	Further Amendments to Australian Accounting Standards arising from the Annual Improvements Project[AASB 1, AASB 7, AASB 101 & AASB 134 and Interpretation 13]	1 January 2011
2010-05	Amendments to Australian Accounting Standards [AASB 1, 3, 4, 5, 101, 107, 112, 118, 119, 121, 132, 133, 134, 137, 139, 140, 1023 & 1038 and Interpretations 112, 115, 127, 132 & 1042]	1 January 2011
2010-06	Amendments to Australian Accounting Standards – Disclosures on Transfers of Financial Assets[AASB 1 & AASB 7]	1 July 2011

Interpretations

Interpretation	Name	Application Date
Interpretation 2	Members' Shares in Co operative Entities and Similar Instruments	1 January 2011
Interpretation 4	Determining whether an Arrangement contains a Lease	1 January 2011
Interpretation 13	Customer Loyalty Programmes	1 January 2011
Interpretation 14	AASB 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2011
Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 January 2011
Interpretation 112	Consolidation – Special Purpose Entities	1 January 2011
Interpretation 115	Operating Leases – Incentives	1 January 2011
Interpretation 127	Evaluating the Substance of Transactions Involving the Legal Form of a Lease	1 January 2011
Interpretation 132	Intangible Assets – Web Site Costs	1 January 2011
Interpretation 1039	Substantive Enactment of Major Tax Bills in Australia	1 January 2011
Interpretation 1042	Subscriber Acquisition Costs in the Telecommunications Industry	1 January 2011
Interpretation 1052	Tax Consolidation Accounting	1 January 2011

The Company has assessed the impact of these new Standards and Interpretations and considers the impact to be insignificant.

2 Financial risk management objectives and policies

The Consolidated entity's principal financial instruments comprise cash, investments, receivables and payables.

The Consolidated entity manages its exposure to the following financial risks, including credit risk, liquidity risk and market risk relating to interest rate and equity risk in accordance with the Consolidated entity's financial risk management policy. The objective of the policy is to support the delivery of the Consolidated entity's financial targets whilst protecting future financial security.

The Board has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Audit and Risk Management Committee, which is responsible for developing and monitoring risk management policies. The Committee reports to the Board on its activities.

(a) Market risk

(i) Foreign currency risk
The Consolidated entity's only exposure to foreign currency risk is in relation to purchases of UniShop stock from overseas. These purchases are normally each less than $1,000 and in total are not material to the operations of UniShop as an individual business unit or to the Consolidated Entity. Sale price of these goods is set after the goods are paid for, thus the Australian Dollar amount is known, effectively passing on any foreign exchange cost or benefit to the customer.

(ii) Price risk
The Consolidated entity and the parent entity maybe exposed to equity securities price risk. This arises from investments that may be held by the Consolidated entity and classified on the statement of financial position as fair value through profit or loss. At reporting date, the value of the securities was nil, (2009: $30,405). Neither the Consolidated entity nor the parent entity are exposed to commodity price risk.

To manage its price risk arising from investments in equity securities, investments held by the Consolidated entity are diversified.

(iii) Cash flow and fair value interest rate risk
Interest Rate Risk is limited to interest on the balance of the National Australia Bank accounts, shown as cash and cash equivalents in Note 7. The forecast at the end of 2011 is an increase in the current Reserve Bank of Australia cash rate of 4.75% to 5.75%, an increase of 1%. The Consolidated entity's trade and other receivables are non-interest bearing and all related party loans and receivables are interest free. Interest rates on Commercial Hire Purchase finance are fixed at the time of drawdown of each individual loan within the umbrella facility. The Consolidated entity's trade and other payables are non-interest bearing.

(iv) Summarised sensitivity analysis
The following table summarises the sensitivity of the Consolidated entity's financial assets and financial liabilities to interest rate risk and price risk.

Consolidated		Interest rate risk				Price risk			
		-1%		+1%		-1.304%		+1.304%	
31 December 2010	Carrying amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial assets									
Cash and cash equivalents	2,402,925	(24,029)	(24,029)	24,029	24,029	-	-	-	-
Accounts receivable	573,627	-	-	-	-	-	-	-	-
Financial assets at fair value	-	-	-	-	-	-	-	-	-
Financial liabilities									
Trade payables	1,583,458	-	-	-	-	-	-	-	-
Other financial liabilities	130,926	-	-	-	-	-	-	-	-
Total increase/ (decrease)		(24,029)	(24,029)	24,029	24,029	-	-	-	-

2 Financial risk management objectives and policies (continued)

Consolidated		Interest rate risk				Price risk			
		-1%		+1%		-1.304%		+1.304%	
31 December 2009	Carrying amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial assets									
Cash and cash equivalents	4,168,532	(41,685)	(41,685)	41,685	41,685	-	-	-	-
Accounts receivable	791,367	-	-	-	-	-	-	-	-
Financial assets at fair value	30,405	-	-	-	-	(396)	(396)	396	396
Financial liabilities									
Trade payables	4,154,423	-	-	-	-	-	-	-	-
Other financial liabilities	155,326	-	-	-	-	-	-	-	-
Total increase/ (decrease)		(41,685)	(41,685)	41,685	41,685	(396)	(396)	396	396

Parent entity		Interest rate risk				Price risk			
		-1%		+1%		-1.304%		+1.304%	
31 December 2010	Carrying amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial assets									
Cash and cash equivalents	2,402,925	(24,029)	(24,029)	24,029	24,029	-	-	-	-
Accounts receivable	573,627	-	-	-	-	-	-	-	-
Financial assets at fair value	-	-	-	-	-	-	-	-	-
Financial liabilities									
Trade payables	1,583,458	-	-	-	-	-	-	-	-
Other financial liablities	130,926	-	-	-	-	-	-	-	-
Total increase/ (decrease)		(24,029)	(24,029)	24,029	24,029	-	-	-	-

Parent entity		Interest rate risk				Other price risk			
		-1%		+1%		-1%		+1%	
31 December 2009	Carrying amount	Profit	Equity	Profit	Equity	Profit	Equity	Profit	Equity
Financial assets									
Cash and cash equivalents	3,475,930	(34,759)	(34,759)	34,759	34,759	-	-	-	-
Accounts receivable	612,445	-	-	-	-	-	-	-	-
Financial assets at fair value	30,405	-	-	-	-	(396)	(396)	396	396
Financial liabilities									
Trade payables	3,009,070	-	-	-	-	-	-	-	-
Other financial liablilities	155,326	-	-	-	-	-	-	-	-
Total increase/ (decrease)		(34,759)	(34,759)	34,759	34,759	(396)	(396)	396	396

(b) Credit risk

Credit risk refers to the risk that indebted counter parties will default on their contractual obligations, resulting in financial loss to the consolidated entitiy. Credit risk is monitored on an ongoing basis. The majority of the consolidated entity's business is conducted by cash or EFTPOS, and consequently the level of credit risk is low. In addition, the majority of trade and other debtors are with related entities. The consolidated entity does not require collateral in respect of financial assets. Trade and other receivables that are neither past due or impaired are considered to be of high credit quality. Aggregates of such amounts are as detailed in Note 8.

Investments are allowed only in liquid securities. All funds invested are invested with the National Australia Bank and Man Investments Australia - Man OM-IP fund. The Man OM-IP funds are designed to provide a high degree of independence from the performance of traditional asset classes in rising and falling markets, while providing the security of a capital guarantee and rising guarantee provided by either Westpac, National Australia Bank or Commonwealth Bank of Australia.

The weighted average interest rate on interest earned by the consolidated entity is 4.21% (2009: 3.26%).

2 Financial risk management objectives and policies (continued)

At reporting date there were no significant concentrations of credit risk. The maximum exposure to credit risk by class of recognised financial assets is equivalent to the carrying value and classification of those financial assets (net of any provisions) as presented in the statement of financial position. Details with respect to credit risk of trade and other receivables are provided in Note 8.

(c) Fair value estimation

The fair value of the consolidated entity's financial instruments is equal to their carrying amounts as presented in the statement of financial position.

(d) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and marketable securities, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. The Consolidated entity manages liquidity risk by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

				Fixed interest rate matured in:				
Consolidated 2010	**Notes**	**Weighted Average effective rate**	**Floating interest rate**	**< 1 year**	**1-5 years**	**> 5 years**	**Non-interest bearing**	**Total**
Financial assets								
Cash and cash equivalents	7	4.21 %	2,370,765	-	-	-	32,160	2,402,925
Accounts receivable	8		-	-	-	-	573,627	573,627
Financial assets at fair value	10		-	-	-	-	-	-
Total financial assets			2,370,765	-	-	-	605,787	2,976,552
Financial liabilities								
Trade payables	15		-	-	-	-	1,583,459	1,583,459
Other financial liabilities	18, 20		-	-	-	-	130,926	130,926
Total financial liabilities			-	-	-	-	1,714,385	1,714,385

Consolidated 2009

				Fixed interest rate matured in:				
	Notes	Weighted Average effective rate	Floating interest rate	< 1 year	1-5 years	> 5 years	Non-interest bearing	Total
Financial assets								
Cash and cash equivalents	7	3.26 %	4,131,126	-	-	-	37,406	4,168,532
Accounts receivable	8		-	-	-	-	791,367	791,367
Financial assets at fair value	10		30,405	-	-	-	-	30,405
Total financial assets			4,161,531	-	-	-	828,773	4,990,304
Financial liabilities								
Trade payables	15		-	-	-	-	4,154,423	4,154,423
Other financial liabilities	18, 20		-	-	-	-	155,326	155,326
Total financial liabilities			-	-	-	-	4,309,749	4,309,749

2 Financial risk management objectives and policies (continued)

Parent entity 2010	Notes	Weighted Average effective rate	Floating interest rate	Fixed interest rate matured in: < 1 year	1-5 years	> 5 years	Non-interest bearing	Total
Financial assets								
Cash and cash equivalents	7	4.21 %	2,370,765	-	-	-	32,160	2,402,925
Accounts receivable	8		-	-	-	-	573,627	573,627
Financial assets at fair value	10		-	-	-	-	-	-
Total financial assets			2,370,765	-	-	-	605,787	2,976,552
Financial liabilities								
Trade payables	15		-	-	-	-	1,583,459	1,583,459
Other financial liabilities	18, 20		-	-	-	-	130,926	130,926
Total financial liabilities			**-**	**-**	**-**	**-**	**1,714,385**	**1,714,385**

Parent entity 2009

	Notes	Weighted Average effective rate	Floating interest rate	Fixed interest rate matured in: <1 year	1-5 years	>5 years	Non-interest bearing	Total
Financial assets								
Cash and cash equivalents	7	3.26 %	3,438,524	-	-	-	37,406	3,475,930
Accounts receivable	8		-	-	-	-	612,445	612,445
Financial assets at fair value	10		30,405	-	-	-	-	30,405
Total financial assets			3,468,929	-	-	-	649,851	4,118,780
Financial liabilities								
Trade payables	15		-	-	-	-	3,009,070	3,009,070
Other financial liabilities	18, 20		-	-	-	-	155,326	155,326
Total financial liabilities			-	-	-	-	3,164,396	3,164,396

3 Revenue

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
From continuing operations				
Sales revenue				
Sale of goods	**11,154,179**	10,870,568	**11,336,800**	10,947,292
Provision of services	**5,751,614**	5,463,017	**4,809,219**	4,433,557
	16,905,793	16,333,585	**16,146,019**	15,380,849
Other revenue				
Interest	**182,205**	120,379	**154,224**	96,815
Members fees - voluntary	**-**	11,841	**-**	11,841
Grants received - related parties	**185,001**	183,748	**185,001**	183,748
Rental income - related parties and other	**584,376**	639,050	**584,376**	639,050
Dividend Income - Unicentre Conferences and Functions	**-**	-	**-**	82,990
	951,582	955,018	**923,601**	1,014,444
	17,857,375	17,288,603	**17,069,620**	16,395,293

4 Gain/(loss) on disposal of assets

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Gain/(loss) on disposal of assets	**12,690**	(96,644)	**12,690**	(96,644)
Fair value gain/(loss) on financial assets at fair value through profit or loss (Note 10)	**(481)**	4,773	**(481)**	4,773
	12,209	(91,871)	**12,209**	(91,871)

5 Expenses

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
(a) Employee benefits expense				
Wages and salaries	**6,414,501**	6,104,301	**6,394,151**	6,057,677
Annual leave expense	**377,679**	393,997	**377,666**	381,488
Long service leave expense	**66,058**	86,454	**66,058**	74,806
Superannuation contributions - defined contribution plans	**560,451**	555,257	**551,020**	532,615
Payroll tax	**35,847**	37,732	**-**	-
Workers compensation expense	**189,311**	120,375	**189,311**	119,195
Other employee benefits	**52,853**	60,764	**51,350**	59,234
	7,696,700	7,358,880	**7,629,556**	7,225,015

5 Expenses (continued)

(b) Depreciation and amortisation expense				
Buildings	**220,688**	284,051	**220,688**	284,051
Plant and equipment	**153,803**	154,496	**153,803**	154,496
Motor vehicles	**1,130**	5,266	**1,130**	5,266
Computer equipment	**2,928**	5,298	**2,928**	5,298
Total depreciation	**378,549**	449,111	**378,549**	449,111
Amortisation				
Occupancy contribution	**253,785**	253,784	**253,785**	253,784
Total amortisation	**253,785**	253,784	**253,785**	253,784
Total depreciation and amortisation	**632,334**	702,895	**632,334**	702,895
(c) Other expenses				
Consultant fees	**208,889**	186,540	**203,314**	176,390
Maintenance	**202,924**	244,761	**178,609**	207,707
Advertising & Promotional	**152,709**	129,783	**141,114**	114,812
Computer Rental	**125,758**	115,943	**119,160**	108,486
Room hire discount to University of Wollongong	**112,589**	75,374	**-**	-
Audit fees	**73,580**	97,148	**59,230**	83,218
Security	**87,270**	99,303	**83,195**	85,163
Other	**1,265,189**	1,105,117	**1,018,505**	831,597
Debt forgiven	**-**	-	**253,399**	-
	2,228,908	2,053,969	**2,056,526**	1,607,373

6 Income tax expense

	Consolidated		**Parent entity**	
	2010	2009	**2010**	2009
	$	$	**$**	$
Current tax				
Current tax expense/ (benefit)	**-**	-	**-**	-
Adjustments for current tax of prior periods	**-**	-	**-**	-
	-	-	**-**	-
Deferred tax				
Origination and reversal of temporary differences	**66,756**	(42,780)	**-**	-
Expense on derecognition of tax loss	**-**	-	**-**	-
	66,756	(42,780)	**-**	-
Total income tax expense in income statement	**66,756**	(42,780)	**-**	-
Attributable to:				
Continuing operations	**-**	(42,780)	**-**	-
Discontinuing operations	**66,756**	-	**-**	-
	66,756	(42,780)	**-**	-

6 Income tax expense (continued)

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
(a) Numerical reconciliation of income tax expense to prima facie tax payable				
Profit from continuing operations before income tax expense	**452,506**	37,607	**277,597**	260,498
Profit from discontinuing operations before income tax expense	**-**	-	**-**	-
	452,506	37,607	**277,597**	260,498
Tax at the Australian tax rate of 30% (2009 - 30%)	**135,752**	11,282	**83,279**	78,150
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:				
Tax offset for franked dividends	**-**	24,897	**-**	-
Deferred tax asset not recognised	**90,216**	-	**-**	-
Non-assessable income	**(159,299)**	(78,150)	**(83,279)**	(78,150)
Sundry items	**87**	333	**-**	-
	66,756	(41,638)	**-**	-
Adjustments for current tax of prior periods	**-**	(1,142)	**-**	-
Income tax expense	**66,756**	(42,780)	**-**	-

Recognised deferred tax assets and liabilities:

Consolidated	Assets		Liabilities		Net	
	2010	2009	**2010**	2009	**2010**	2009
	$	$	**$**	$	**$**	$
Deferred tax assets and liabilities are attributable to the following:						
Debtors	**-**	5,456	**-**	-	**-**	5,456
Accruals	**-**	4,696	**-**	-	**-**	4,696
Provision for employee entitlements	**-**	11,401	**-**	-	**-**	11,401
Tax losses	**-**	2,696	**-**	-	**-**	2,696
Tax losses carried forward	**-**	42,507	**-**	-	**-**	42,507
	-	66,756	**-**	-	**-**	66,756

Parent Entity	Assets		Liabilities		Net	
	2010	2009	**2010**	2009	**2010**	2009
	$	$	$	$	$	$
Deferred tax assets and liabilities are attributable to the following:						
Debtors	-	-	-	-	-	-
Accruals	-	-	-	-	-	-
Provision for employee entitlements	-	-	-	-	-	-
Tax losses	-	-	-	-	-	-
	-	-	-	-	-	-

7 Current assets - Cash and cash equivalents

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Cash at bank and on hand	**2,402,926**	4,168,532	**2,402,926**	3,475,930

8 Current assets - Trade and other receivables

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Trade receivables	**630,449**	777,690	**630,449**	497,590
Sundry debtors	**29,413**	31,865	**29,413**	31,865
Goods and Services Tax	**32,811**	131,041	**32,811**	44,765
Dividend receivable	**-**	-	**-**	82,990
Provision for impairment of receivables	**(4,322)**	(18,188)	**(4,322)**	-
	688,351	922,408	**688,351**	657,210
Prepayments	**25,087**	11,289	**25,087**	11,289
	25,087	11,289	**25,087**	11,289
	713,438	933,697	**713,438**	668,499

(a) Impaired trade receivables

As at 31 December 2010 current trade receivables of the Consolidated entity with a nominal value of $71,964 (2009 - $278,016) were past due. Of this past due amount, $4,322 (2009 - $18,188) was considered impaired and provided for. The individually impaired receivables mainly relate to wholesalers, which are in unexpectedly difficult economic situations.

The ageing of these receivables is as follows:

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Over 6 months	**4,322**	18,188	**4,322**	-
	4,322	18,188	**4,322**	-

As of 31 December 2010, trade receivables of $67,672 (2009 - $259,828) were past due but not impaired. These relate to a number of independent customers for whom there is no recent history of default. The ageing analysis of these trade receivables is as follows:

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
1 to 3 months	**31,249**	118,966	**31,249**	79,075
3 to 6 months	**23,808**	7,037	**23,808**	130
Over 6 months	**12,585**	133,825	**12,585**	101,158
	67,642	259,828	**67,642**	180,363

8 Current assets - Trade and other receivables (continued)

Movements in the provision for impairment of receivables are as follows:

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
At 1 January	**(18,188)**	(18,188)	**-**	-
Provision for impairment recognised during the year	**(91,428)**	-	**(91,428)**	-
Receivables written off during the year as uncollectible	**105,294**	-	**87,106**	-
	(4,322)	(18,188)	**(4,322)**	-

The creation and release of the provision for impaired receivables has been included in 'other expenses' in the income statement. Amounts charged to the allowance account are generally written off when there is no expectation of recovering additional cash.

The other classes within trade and other receivables do not contain impaired assets and are not past due. Based on the credit history of these other classes, it is expected that these amounts will be received when due.

Information about the Consolidated entity's and the Company's exposure to credit risk, foreign currency and interest rate risk is provided in Note 2.

9 Current assets - Inventories

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Finished goods				
- at cost	**2,324,706**	2,356,484	**2,324,706**	2,333,042
	2,324,706	2,356,484	**2,324,706**	2,333,042

Write-downs of inventories to net realisable value recognised as an expense during the year ended 31 December 2010 amounted to $26,095 (2009 - $17,704). The expense has been included in 'raw materials and consumables used' in profit or loss.

10 Current assets - Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are all held for trading and include the following:

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Investments	**-**	30,405	**-**	30,405
	-	30,405	**-**	30,405

Information about the Consolidated entity's and the Company's exposure to price risk is provided in Note 2.

11 Current assets - Current tax receivables

	Consolidated 2010 $	2009 $	Parent entity 2010 $	2009 $
Current tax receivable	-	27,207	-	-

12 Income tax

The current tax asset for the Consolidated entity of nil (2009 asset: $27,207) represents the amount of income tax refundable in respect of current and prior periods and arises from the payment of tax in excess of the amounts due to the relevant tax authority.

13 Non-current assets - Property, plant and equipment

Parent and consolidated	Building improvements $	Occupancy contribution $	Plant and equipment $	Computer equipment $	Motor vehicles $	Total $
At 1 January 2009						
Cost or fair value	3,372,499	7,621,138	1,326,791	26,486	39,091	12,386,005
Accumulated depreciation	(1,913,867)	(2,579,419)	(694,864)	(15,693)	(32,695)	(5,236,538)
Net book amount	1,458,632	5,041,719	631,927	10,793	6,396	7,149,467
Year ended 31 December 2009						
Opening net book amount	1,458,632	5,041,719	631,927	10,793	6,396	7,149,467
Additions	273,740	-	247,675	-	-	521,415
Disposals*	(2,202)	-	(103,351)	-	-	(105,553)
Depreciation charge	(284,051)	(253,784)	(154,496)	(5,298)	(5,266)	(702,895)
Closing net book amount	1,446,119	4,787,935	621,755	5,495	1,130	6,862,434
At 31 December 2009						
Cost or fair value	3,604,603	7,621,138	1,316,011	26,486	39,091	12,607,329
Accumulated depreciation	(2,158,484)	(2,833,203)	(694,256)	(20,991)	(37,961)	(5,744,895)
Net book amount	1,446,119	4,787,935	621,755	5,495	1,130	6,862,434
Year ended 31 December 2010						
Opening net book amount	1,446,119	4,787,935	621,755	5,495	1,130	6,862,434
Additions	390,418	-	166,148	-	-	556,566
Disposals*	-	-	(343)	-	-	(343)
Reclassifications	-	-	-	-	-	-
Depreciation charge	(220,688)	(253,785)	(153,803)	(2,928)	(1,130)	(632,334)
Closing net book amount	1,615,849	4,534,150	633,757	2,567	-	6,786,323
At 31 December 2010						
Cost or fair value	3,995,021	7,621,137	1,481,816	26,486	39,091	13,163,551
Accumulated depreciation	(2,379,172)	(3,086,987)	(848,059)	(23,919)	(39,091)	(6,377,228)
Net book amount	1,615,849	4,534,150	633,757	2,567	-	6,786,323

* The original cost of the asset disposed of during the year was $1,272, additionally fully depreciated property, plant and equipment with an original cost of $300,046 were disposed of during 2009.

14 Non-current assets - Intangible assets

Consolidated	Goodwill $	Establishment costs $	Total $
At 1 January 2009			
Cost	123,103	6,506	129,609
Accumulated amortisation and impairment	(103,000)	6,506	(109,505)
Net book amount	20,103	-	20,104
Year ended 31 December 2009			
Opening net book amount	20,103	-	20,103
Amortisation charge	-	-	-
Closing net book amount	20,103	-	20,103
At 31 December 2009			
Cost	123,103	6,506	129,609
Accumulated amortisation and impairment	(103,000)	(6,506)	(109,506)
Net book amount	20,103	-	20,103

Consolidated	Goodwill $	Total $
Year ended 31 December 2010		
Opening net book amount	20,103	20,103
Additions	-	-
Amortisation charge	-	-
Closing net book amount	20,103	20,103
At 31 December 2010		
Cost	123,103	123,103
Accumulated amortisation and impairment	(103,000)	(103,000)
Net book amount	20,103	20,103

Parent entity	Goodwill $	Total $
At 1 January 2009		
Cost	123,103	123,103
Accumulated amortisation and impairment	(103,000)	(103,000)
Net book amount	20,103	20,103
Year ended 31 December 2009		
Opening net book amount	20,103	20,103
Additions	-	-
Amortisation charge	-	-
Closing net book amount	20,103	20,103
At 31 December 2009		
Cost	123,103	123,103
Accumulated amortisation and impairment	(103,000)	(103,000)
Net book amount	20,103	20,103
Year ended 31 December 2010		
Opening net book amount	20,103	20,103
Additions	-	-
Amortisation charge	-	-
Closing net book amount	20,103	20,103
At 31 December 2010		
Cost	123,103	123,103
Accumulated amortisation and impairment	(103,000)	(103,000)
Net book amount	20,103	20,103

15 Current liabilities - Trade and other payables

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Accrued expenses	**1,029,123**	2,517,045	**1,029,126**	2,266,448
Sundry creditors	**554,333**	1,637,378	**554,333**	742,622
	1,583,456	4,154,423	**1,583,459**	3,009,070

Information about the Consolidated entity's and the Company's exposure to foreign exchange risk is provided in Note 2.

16 Current liabilities - Provisions

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Employee benefits - long service leave	**331,591**	337,125	**331,591**	304,950
Employee benefits - annual leave	**393,285**	400,857	**393,285**	395,030
	724,876	737,982	**724,876**	699,980

(a) Amounts not expected to be settled within the next 12 months

The current provision for long service leave and annual leave includes all unconditional entitlements where employees have completed the required period of service. The entire amount is presented as current. Based on past experience, the Consolidated and Parent entities do not expect all employees to take the full amount of accrued long service leave and annual leave or require payment within the next 12 months. The following amounts reflect leave that is not expected to be taken or paid within the next 12 months.

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Long service leave obligation expected to be settled after 12 months	**254,233**	253,814	**254,233**	230,798
Annual leave obligation expected to be settled after 12 months	**31,063**	70,474	**31,063**	69,881

Expense Recognised in the Income Statement

Movements in provisions for Annual Leave and Long Service Leave are included in the income statement as employee benefits expense, as outlined in Note 5.

Superannuation

The Consolidated entity makes contributions to various third party defined contribution superannuation funds. Contributions are included in the income statement as employee benefit expense, as outlined in Note 5. The consolidated entity does not contribute to, or have any connection with, any defined benefit superannuation funds.

17 Current liabilities - Current tax liabilities

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Provision for income tax	**-**	-	**-**	-
	-	-	**-**	-

18 Current liabilities - Other liabilities

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Commonwealth Department of Health and Ageing Loan	**18,000**	18,000	**18,000**	18,000
Deposits held	**14,881**	19,781	**14,881**	19,781
Income in advance	**158,047**	128,163	**158,047**	128,163
	190,928	165,944	**190,928**	165,944

The Company has responsibility for repayment of a loan, made by the Commonwealth Department of Health and Ageing to the University of Wollongong, to finance, in part, extensions to the Children's Services Centre.

19 Non-current liabilities - Provisions

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Employee benefits - long service leave	**179,081**	184,364	**179,081**	184,364
	179,081	184,364	**179,081**	184,364

20 Non-current liabilities - Other liabilities

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Commonwealth Department of Health and Ageing Loan	**98,045**	117,545	**98,045**	117,545
Income in advance	**54,669**	74,669	**54,669**	74,669
	152,714	192,214	**152,714**	192,214

21 Retained earnings

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Balance 1 January	**9,030,691**	8,950,304	**9,138,842**	8,878,344
Net profit for the year	**385,750**	80,387	**277,597**	260,498
Balance 31 December	**9,416,441**	9,030,691	**9,416,439**	9,138,842

22 Key management personnel disclosures

(a) Directors

The following persons were directors of Wollongong Unicentre Limited during the financial year:

(i) Chairman
Chris Grange

(ii) Executive director
Michael Gillmore

(iii) Non-executive directors
Justin Ayre (Resigned 2010)
Michael Bolt (Resigned 2010)
Jo-Ann Fisher
Bryce Fraser (Resigned 2010)
Chris Mowbray (Resigned 2010)

Jessica Saad (Term ended 2010)

Brian Ward

Chris Whittaker (Term ended 2010)

Mary Youssif

Claudia Perry-Beltrame (Appointed 2010)

James Parrish (Appointed 2010)

Ian Murray (Appointed 2010)

Matt Greiss (Appointed 2010)

Dean Young (Apointed 2010)

Walter Immoos (Appointed 2010)

Apart from the details disclosed in this note, no director has entered into a material contract with UniCentre or UniCentre Conferences and Functions Pty Limited since the end of the previous financial year and there were no material contracts involving directors' interests existing at year end.

22 Key management personnel disclosures (continued)

(b) Remuneration of Executive Officers

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Remuneration of Executive officers				
Income paid or payable, or otherwise made available, to executive officers by entities in the consolidated entity and related parties.	**220,885**	206,411	**220,885**	206,411
Remuneration of Executive officers				
$10,000 to $19,000	**-**	1	**-**	1
$190,000 to $199,000	**-**	1	**-**	1
$220,000 to $229,000	**1**	-	**1**	-
Remuneration payments made to Executive Officers				
Short-term employee benefits	**197,263**	185,133	**197,263**	185,133
Post-employment benefits	**23,622**	21,278	**23,622**	21,278
	220,885	206,411	**220,885**	206,411

23 Remuneration of auditors

During the year the following fees were paid or payable for services provided by the auditor of the parent and consolidated entities:

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
(a) Audit services				
Audit Office of NSW				
Audit of financial statements	**73,580**	97,148	**59,230**	83,218
Total remuneration for audit services	**73,580**	97,148	**59,230**	83,218

24 Commitments

(a) Lease commitments

(i) Operating lease commitments - Consolidated entity as lessee
Future Non-Cancellable Operating Lease Rentals of Plant and Equipment

The Consolidated entity has entered into a commercial lease for computer equipment. The lease is for three years. There are no restrictions placed upon the lessee by entering into these leases.

24 Commitments (continued)

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:				
Within one year	**69,252**	69,252	**69,252**	69,252
Later than one year but not later than five years	**69,252**	138,504	**69,252**	138,504
	138,504	207,756	**138,504**	207,756

(ii) Operating lease commitments receivable - Consolidated entity as lessor
The Consolidated entity has entered into commercial property leases for office space and food outlets.

These non-cancellable leases have remaining terms of between one and five years. Leases are based on net sales or fixed amounts with a clause included to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

The future minimum lease payments receivable under non cancellable operating leases in the aggregate and for each of the following periods are:

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Within one year	**140,650**	186,377	**140,650**	186,377
Later than one year but not later than five years	**88,962**	80,451	**88,962**	80,451
	229,612	266,828	**229,612**	266,828

Several tenants annual rent is based on a percentage of their turnover for the year. Contingent rent of $211,866 (2009: $199,966) was received by the Company.

(iii) Hire purchase commitments - Consolidated entity as lessee
The Commerial Hire Purchase Liability is an umbrella facility of up to $500,000 that the Company can draw on for the purchase of equipment. It is renewable every 12 months. Interest is payable on each drawdown within the facility at the market rate prevailing at the time of the drawdown. As at 31 December 2010 the unused portion of the facility was $500,000 (2009: $500,000) and the portion of the facility in use was nil (2009: nil).

(b) Capital commitments

The Consolidated entity has a contractual obligation to purchase within the next 12 months, $2,000,000 of plant and equipment at reporting date (Consolidated entity 2009: nil).

25 Related party transactions

(a) Directors' Transactions with UniCentre and its Subsidiary

From time to time Directors of related parties or their Director-related entities may purchase goods or services from UniCentre or its Subsidiary. These purchases are on the same terms and conditions as those entered into by the employees of UniCentre and its subsidiary, or customers and are trivial or domestic in nature.

25 Related party transactions (continued)

(b) Transactions with related parties

UniCentre has a related party relationship with its subsidiary UniCentre Conferences and Functions Pty Limited. It also has related party relationships with the following entities:

The University of Wollongong (Ultimate Controlling Entity)

Illawarra Technology Corporation Limited

University of Wollongong Recreation and Aquatic Centre

Transactions with the controlling entity The University of Wollongong were as follows:

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Income				
Sales	**1,527,160**	1,177,305	**911,642**	511,892
Rent received	**134,505**	122,277	**134,505**	122,277
Commissions	**79,213**	92,420	**79,213**	92,420
Grants for specific purposes	**185,000**	183,748	**185,000**	183,748
	1,925,878	1,575,750	**1,310,360**	910,337

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Expenses				
Goods and services	**584,378**	865,916	**584,378**	865,916
University's share of lodge profit	**-**	-	**-**	-
Contribution to general manager's salary	**100,607**	88,851	**100,607**	88,851
	684,985	954,767	**684,985**	954,767

From time to time Related Parties of the University of Wollongong, including Illawarra Technology Corporation Limited (ITC) and the University of Wollongong Recreation & Aquatic Centre Limited (URAC) may enter into transactions with the Controlled Entity. These transactions are on the same terms and conditions as those entered into by the Company's employees or customers and are immaterial.

From time to time Directors of related parties or their Director-related entities may purchase goods or services from the Consolidated entity. These purchases are on the same terms and conditions as those entered into by the Company's employees or customers and are trivial or domestic in nature.

(c) Outstanding balances arising from sales/purchases of goods and services

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Current receivables (sales of goods and services)				
Trade receivables	**330,724**	368,382	**330,724**	161,632
Current payables (purchases of goods)				
Trade creditors	**84,574**	94,296	**84,574**	94,296

26 Transfer of assets and liabilities from subsidiary

On 31 December 2010 the parent entity acquired all the assets of its subsidiary UniCentre Conferences and Functions Pty Limited.

(a) Assets and liabilities transferred

Details of the value of the assets and liabilities transfered are as follows:

	Fair value $
Cash	**319,622**
Trade receivables	**221,173**
Inventories	**24,004**
Trade payables	**(564,799)**
Net assets	**-**

27 Economic dependency

The Consolidated entity's trading activities do not depend on a major customer or supplier. However, the Consolidated entity is economically dependent on the continued existence of the University of Wollongong. The Company has also guaranteed the financial support of its subsidiary, Unicentre Conferences and Functions Pty Limited.

28 Events occurring after balance date

On 1 January 2011 the subsidiary, UniCentre Conferences and Functions commenced the liquidation process. There has not arisen in the interval between the end of the financial Year and the date of this report any other item, transaction or event of a material or unusual nature likely, in the opinion of the Directors of the Company, to affect significantly the operations of the company, the results of those operations, or the State of Affairs of the Company, in subsequent financial years.

29 Reconciliation of profit after income tax to net cash flows from operating activities

	Consolidated		Parent entity	
	2010	2009	**2010**	2009
	$	$	**$**	$
Profit for the year	**385,750**	80,387	**277,597**	260,498
Depreciation and amortisation	**378,550**	449,111	**378,550**	449,111
Amortisation of occupancy contribution	**253,784**	253,784	**253,784**	253,784
Bad debt written off	**(105,294)**	-	**(91,428)**	-
Debt Forgiven	**-**	-	**(253,399)**	-
Net (gain)/loss on sale of non-current assets	**(12,690)**	96,644	**(12,690)**	96,644
Fair value (gains)/losses on financial assets at fair value through profit or loss	**481**	(4,752)	**481**	(4,752)
Decrease/(increase) in inventories	**31,777**	(463,510)	**8,336**	(461,983)
Decrease/(increase) in prepayments/other debtors	**(13,798)**	11,442	**69,191**	37,840
Decrease/(increase) in trade/term debtors	**247,924**	216,602	**(109,808)**	186,761
(Increase)/decrease in deferred tax assets	**66,756**	(42,780)	**-**	-
(Increase)/decrease in bad debts allowance	**91,428**	-	**87,106**	-
(Decrease)/increase in trade creditors/accruals	**(2,570,968)**	1,973,375	**(1,172,211)**	1,464,456
(Decrease)/increase in other operating liabilities	**(4,900)**	400	**(4,900)**	400
Increase/(decrease) in income in advance	**9,885**	(49,442)	**9,884**	(49,442)
Increase/(decrease) in income tax payable	**-**	(11,507)	**-**	-
(Increase)/decrease in tax receivables	**27,207**	(27,207)	**-**	-
Increase/(decrease) in other provisions	**(18,388)**	7,298	**19,613**	16,330
Net cash (outflow)/inflow from operating activities	**(1,232,496)**	2,489,845	**(539,894)**	2,249,647

30 Contingent Assets and Liabilities

There were no known Contingent Assets or Liabilities existing at reporting date.

31 Consolidated Entities

Ultimate Parent Entity

University of Wollongong

Parent Entity

Wollongong UniCentre Limited

Subsidiary

UniCentre Conferences and Functions Pty Limited

Country of Incorporation: Australia

Ownership Interest: 100%

END OF AUDITED FINANCIAL REPORT

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